

percent – the lowest in the southeast and third lowest in the nation. It also provides an unemployment insurance tax credit that covers 75 percent of the state's businesses.

Education is crucial to the futures of North Carolina's children and also secures the future of the state's economy by creating an educated, skilled workforce. So the Governor's budget protects every state-funded teacher and teacher assistant position. Using existing funds, the budget also establishes Gov. Perdue's Career and College Promise, providing a two-year college degree, or two years of career training, to high school students who meet academic criteria.

Gov. Perdue did not shy from tough choices, proposing a budget that eliminates, reduces or reorganizes 176 state programs, which will eliminate more than 5,000 positions. The plan saves \$208 million and eliminates an estimated 1,000 more state jobs through an early retirement package.

Combined with targeted agency cuts, state government will eliminate an estimated total of 10,000 positions.

State government will be consolidated from 14 agencies to 8, and the state purchasing system will be overhauled.

Most state programs face a 7 percent to 15 percent reduction.

The Governor closed a \$4.4 billion gap between expected revenue and planned spending over the next two years, \$2.4 billion in 2011-2012 and \$2 billion in 2012-2013. The gap was filled by 70 percent cuts and 30 percent revenue.

The budget invests in the Governor's and the state's core priorities of job growth and education, while also providing funds for essential services, including \$75 million to strengthen the mental health system and \$77 million for the mobility fund to help reduce traffic congestion and expand the transportation infrastructure. The Governor's plan also sets aside \$25 million to a new Consolidation and Efficiency Incentive Fund. This Fund is intended to incentivize local governments and state-funded nonprofit organizations to reorganize, consolidate or regionalize services where the state, local governments and nonprofit groups have shared responsibilities.

Gov. Perdue stands ready to work with the legislature to create jobs and enhance North Carolina's as the best place to do business, to strengthen the state's education system and to ensure that government works smarter and more efficiently for all citizens.

To read the budget, visit: <http://www.osbm.state.nc.us/>

###